GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1985
ANSWERED ON:09.03.2001
BANK OFFICIALS ROLE IN HOUSING SCAM IN DDA
PRABHUNATH SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether the attention of the Government has been drawn to the news item captioned `Bank Officials` role in scam being probed` appearing in the `Times of India` dated February 16, 2001;

(b) whether the probe into the multi-crore housing scam in DDA has brought senior officials of over 15 nationalised and private banks in the Capital under cloud;

(c) if so, the details of the senior officers under cloud working in public and private banks, bank-wise and their role in the scam; and

(d) the action taken or proposed to be taken against those officials ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a): Yes, Sir.

(b), (c) & (d) : Reserve Bank of India has reported that as per available information, one of the Senior Managers of the Oriental Bank of Commerce posted at the Mahipalpur, New Delhi branch had opened saving bank accounts without complying with bank`s prescribed instructions relating to the opening of new accounts and used these accounts to fraudulently collect Account Payee cheques drawn on Central Bank of India, Vikas Sadan, New Delhi Branch through clearing. 18 cheques aggregating Rs.27,17,403/- were collected by him during the period November 1999 to July 2000, through S.B. Account No.14369 opened by him in the name of Shri Shashi Bhushan and the entire amount has been withdrawn from the account. While collecting these cheques through this account the names of the actual payees were added/ deleted by him from time to time in the computer system so as to make it appear that the account was standing in the names of Payees. This account was closed on 20.09.2000. The bank has placed him under suspension on 19th January 2001. The Crime Branch of the Delhi Police, which is investigating the case, has arrested him on 19th January 2001 and placed him in judicial custody.